
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : HON. MARK FALK
v. : Magistrate No. 06-3567 (MF)
ELIZABETH TERRY : **CRIMINAL COMPLAINT**

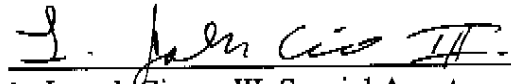
I, L. Joseph Ciervo III, the undersigned complainant being duly sworn, state the following is true and correct to the best of my knowledge and belief. On or about March 27, 2004, in Morris County, in the District of New Jersey and elsewhere, defendant ELIZABETH TERRY did:

falsely assume and pretend to be an officer and employee acting under the authority of the United States and any department, agency and officer thereof, namely the Internal Revenue Service, and acted as such, and in such pretended character demanded and obtained any money, paper, document, and thing of value.

In violation of Title 18, United States Code, Sections 912 and 2.

I further state that I am a Special Agent with the Department of the Treasury, Treasury Inspector General for Tax Administration, and that this complaint is based on the following facts:


SEE ATTACHMENT A



L. Joseph Ciervo III, Special Agent
Department of the Treasury,
Treasury Inspector General for
Tax Administration

Sworn to before me and subscribed in my presence,
May 18, 2006 at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE


Signature of Judicial Officer

ATTACHMENT A

I, L. Joseph Ciervo III, am a Special Agent of the Department of the Treasury, Treasury Inspector General for Tax Administration ("TIGTA"). Based upon my investigation and my discussions with other individuals involved in this investigation, I have knowledge of the following facts:

1. From in or about 1998 through in or about 2003, ELIZABETH TERRY co-owned a business known as Honeycutt Management Services, Inc. ("Honeycutt") with Jimmy W. Honeycutt. During this time, ELIZABETH TERRY performed clerical duties for Honeycutt, and served as the company's bookkeeper.

2. Honeycutt failed to pay approximately \$90,251.38 in taxes and penalties due for calendar years 2001 through 2003.

3. On or about March 9, 2004, Internal Revenue Service ("IRS") Revenue Officer Evelyn Keen ("Keen") was assigned to collect approximately \$90,251.38 due to the IRS from Honeycutt.

4. On or about March 9, 2004, Keen issued a Notice of Levy to HB&A Construction Management Services, Inc. located in Portland, Oregon ("HB&A"). Honeycutt provided construction consulting to HB&A as a subcontractor. The Notice of Levy was for the full amount of all monies available or paid to Honeycutt and listed a total amount due of \$90,251.38.

5. On or about March 31, 2004, HB&A received a copy of a letter addressed to Honeycutt purportedly from the IRS. The letter stated that the IRS had withdrawn the Notice of Levy issued to HB&A and had arranged for Honeycutt to provide voluntary monthly payments to the IRS to satisfy its outstanding tax deficit. The letter was dated March 27, 2004 and signed by "Charles F. Manson," who purported to be a representative from the office of the IRS in Cincinnati, Ohio.

6. As a result of the fictitious letter from "Charles F. Manson" HB&A continued to submit payments to Honeycutt rather than to the IRS as required by the Notice of Levy.

7. The IRS did not employ any individual named "Charles F. Manson" on or about March 27, 2004.

8. On or about December 28, 2004, Keen contacted HB&A and advised that the IRS has not received any payments pursuant to the Notice of Levy. HB&A informed Keen that HB&A had disregarded the Notice of Levy pursuant to the March 27, 2004 letter purportedly from the IRS.

9. On or about September 12, 2005, Jimmy W. Honeycutt was interviewed by TIGTA agents and stated, in substance and in part, that ELIZABETH TERRY drafted, signed, and faxed the March 27, 2004 letter signed by "Charles F. Manson."

10. On or about September 18, 2005, ELIZABETH TERRY was interviewed by TIGTA agents and stated, in substance and in part, that she had written the fictitious levy release letter dated March 27, 2004 using the name "Charles F. Manson" and that she had faxed the letter to HB&A from her home. She further admitted that she had falsely assumed and pretended to be an officer or employee of the IRS named "Charles F. Manson," and that she had faxed the fictitious levy release letter in order to obtain payments from HB&A that were otherwise due to the IRS pursuant to the Notice of Levy.

11. As a result of the fictitious levy release letter dated March 27, 2004, HB&A paid Honeycutt approximately \$126,000 instead of forwarding the \$90,251.38 due to the IRS pursuant to the Notice of Levy.

12. As a result of the fictitious levy release letter dated March 27, 2004, Honeycutt's indebtedness to the IRS due to interest and penalties rose to approximately \$192,000 as of March 13, 2006.